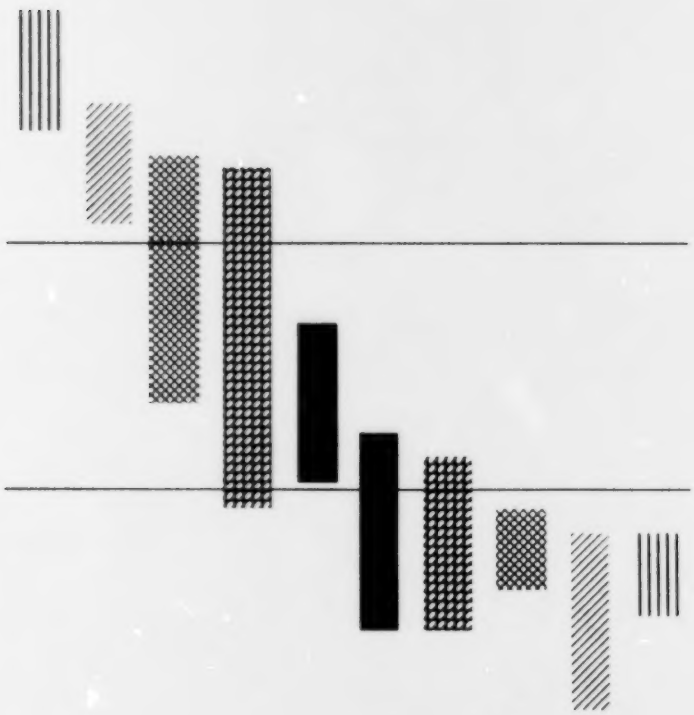
THE CORPORATION OF
THE CITY OF SCARBOROUGH

150 BOROUGH DRIVE, SCARBOROUGH, ONTARIO M1P 4N7

FINANCIAL 88 REPORT



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HIGHLIGHTS

SUBJECTS		1988	1987
Population		503,431	495,925
Number of Households		166,600	165,500
Area in Hectares		18,702	18,702
Employees		2,156	2,113
Taxable Assessment ($000)			
Residential		$856,732	$843,321
Commercial, Industrial and Business		502,662	478,046
Total Taxable Assessment		1,359,394	1,321,367
Commercial, Industrial and Business as a Percentage of the Total Taxable Assessment		37%	36%
Tax Levy For	- City ($000)	$108,352	$100,864
	- Metropolitan Toronto ($000)	115,640	106,559
	- School Boards ($000)	245,637	229,345
Government Grants	- Canada ($000)	1,929	1,165
	- Ontario ($000)	29,261	28,820
Reserves and Reserve Funds ($000)		72,927	56,731
Net Long-Term Debt ($000)		21,918	28,896

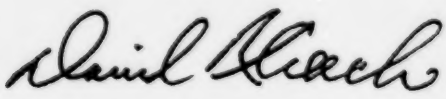
TREASURER'S REPORT

I am pleased to present the Financial Report for the City of Scarborough for the year ended December 31, 1988.

Council, through a comprehensive planning and budgeting process have been able to balance the City's service needs with its ability to finance those services. For 1988 this has been achieved with the lowest mill rate increase in 16 years.

The City has established a sound financial base and at the same time has initiated processes of providing financing for major expenditures in future years.

The balance of this report illustrates the City's year end position and the source and application of its funds for the year 1988.

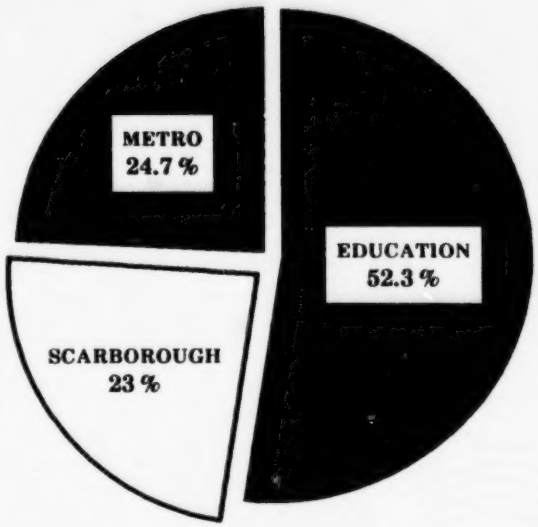


David R. Creech
Treasurer and Commissioner
Finance and Management Services

TAX LEVY DISTRIBUTION

General Government	3.2%
Protection to Persons & Property	4.7%
Transportation Services	4.3%
Environmental Services	2.5%
Health Services	1.3%
Recreation & Cultural Services	6.2%
Planning and Development	0.8%
Scarborough	23.0%
Metropolitan Toronto	24.7%
Education	52.3%
	100.0%

1988 DISTRIBUTION



MILL RATES	RESIDENTIAL 1988	RESIDENTIAL 1987	COMMERCIAL & INDUSTRIAL 1988	COMMERCIAL & INDUSTRIAL 1987
City Purposes	71.15	68.48	83.70	80.56
Metropolitan Toronto Purposes	76.59	73.14	90.10	85.83
Education Purposes	162.06	156.80	190.65	184.81
Total Public Mill Rate	309.80	298.42	364.45	351.20
Total Separate Mill Rate	314.10	300.81	369.51	353.67

THE CORPORATION OF THE CITY OF SCARBOROUGH

CONDENSED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1988

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THE CORPORATION OF THE CITY OF SCARBOROUGH

CONSOLIDATED BALANCE SHEET ($000)

FOR THE YEAR ENDED DECEMBER 31, 1988

ASSETS	1988	1987
Unrestricted		
Cash	$ 1,414	$ 620
Investments	20,833	24,429
Taxes Receivable	9,402	7,973
User Charges Receivable	164	126
Accounts Receivable	8,309	8,163
Inventories	1,481	1,350
Other Assets	582	871
	42,185	**43,532**
Restricted - Reserve Funds		
Investments	**62,216**	**47,988**
Capital Outlay to be Recovered in Future Years	**21,642**	**27,903**
Loss on Foreign Exchange	**276**	**993**
Total	**$126,319**	**$120,416**
Liabilities		
Temporary Loans	$ -	$ 1,008
Accounts Payable and Accrued Liabilities	23,269	23,549
Other Current Liabilities	6,592	6,669
	29,861	**31,226**
Net Long-Term Liabilities	**21,918**	**28,896**
Fund Balance at the End of the Year		
To Be Used To Offset Taxation or User Charges in the following year	5,487	6,251
Capital Operations not yet Permanently Financed	(3,874)	(2,687)
Reserves	7,342	7,342
Reserve funds	65,585	49,388
Total	**$126,319**	**$120,416**

THE CORPORATION OF THE CITY OF SCARBOROUGH

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1988

1 These 1988 Condensed Financial Statements have been prepared on a consolidated basis and include the Current Fund, Capital Fund and Reserve Funds of the City of Scarborough, The notes to the consolidated financial statements and other supporting financial statements are presented here in a condensed version.

Copies of the complete 1988 audited financial statements are available from the Finance and Management Services Department for any resident who wishes to review the financial operations of the City in greater detail.

2 The Scarborough Public Utilities Commission, Water and Electric Utilities are not consolidated into these financial statements. Separate Financial Statements have been prepared and may be obtained from the Finance and Management Services Department.

3 The Municipality has a liability of $13,575,887 (1987 - $13,308,417) under the terms of the vested sick leave plan. The balance in the applicable Reserve Funds to meet these costs is $1,216,986 (1987 - $739,985).

4 The Municipality is self insured for public liability claims up to $1,000,000 for any individual claim or for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits, up to a maximum of $10,000,000. The balance in the applicable Reserve Funds to meet the self insured costs is $517,803 (1987 - $215,266).

The Municipality plans to fund the Reserve Fund to an amount of $1,000,000 by equal provisions of $250,000 over the next two years.

5 Total Trust Funds administered by the City amount to $51,922,151 (1987 - $38,331,562).

6 At December 31, 1988 there was pending legal actions against the municipality. The outcome at this time remains indeterminate in each case.

A previous judgement in the amount of $3,000,000 was appealed by the municipality. On December 12, 1988 the Court of Appeal delivered its decision which resulted in the municipality's liability being maintained and damages being reduced to $177,000 and a reference to be conducted before the Supreme Court of Ontario as to a determination regarding the balance of the damages. This decision is being appealed by the municipality. To date a total of $2,250,000 has been provided in previous years to be designated to the settlement of the final results determined in this judgement.

The Board of Health for the City of Scarborough Health Unit has been named as a co-defendant with the Province of Ontario, together with others, in two Statements of Claim filed with the Supreme Court of Ontario. The financial statements contain no provision for this claim.

THE CORPORATION OF THE CITY OF SCARBOROUGH

CONSOLIDATED STATEMENT OF OPERATIONS ($000)

FOR THE YEAR ENDED DECEMBER 31, 1988

Sources of Financing	1988	1987
Taxation		
Residential	$265,452	$251,946
Commercial, industrial and business	204,177	184,822
Taxation from Other Governments	25,347	24,653
User Charges	24,747	21,724
Grants		
Government of Canada	1,929	1,165
Province of Ontario	29,261	28,820
Other Municipalities	654	596
Other		
Contributions from Developers	11,586	5,826
Investment Income	15,425	11,158
Sale of Land	3,404	1,011
Penalties and Interest on Taxes	1,420	1,379
Sinking Fund Earnings	553	1,459
Proceeds from Issue of Long-Term Liabilities	1,017	3,224
Deduct		
Amounts Received or Receivable on behalf of Metropolitan Toronto and School Boards	(372,265)	(346,532)
Municipal Fund Balances at the Beginning of the Year		
To be used to offset taxation and user charges	6,251	5,833
(Capital Operations Not Yet Financed)	(2,687)	(26)
Total Financing Available During The Year	**$216,271**	**$197,058**

THE CORPORATION OF THE CITY OF SCARBOROUGH

CONSOLIDATED STATEMENT OF OPERATIONS ($000)

FOR THE YEAR ENDED DECEMBER 31, 1988

Application of Funds	1988	1987
Current Operations		
General Government	$ 23,327	$ 22,763
Protection to Persons and Property	34,644	32,104
Transportation Services	31,543	28,913
Environmental Services	18,380	16,581
Health Services	9,423	8,458
Recreation and Cultural Services	45,571	42,022
Planning and Development	6,395	5,937
Total	**169,283**	**156,778**
Capital Operations		
General Government	2,277	3,062
Protection to Persons and Property	452	1,135
Transportation Services	13,921	11,628
Environmental Services	7,887	6,821
Health Services	73	302
Recreation and Cultural Services	3,034	3,234
Planning and Development	1,535	1,114
Total	**29,179**	**27,296**
Net Appropriations to Reserves and Reserve Funds	**16,197**	**9,420**
Municipal Fund Balances at the End of the Year		
To be used to Offset Taxation or User Charges	5,487	6,251
(Capital Operations Not Yet Permanently Financed)	(3,875)	(2,687)
Total Applications During the Year	**$216,271**	**$197,058**

THE CORPORATION OF THE CITY OF SCARBOROUGH

RESERVES & RESERVE FUND BALANCES ($000)

AT THE END OF THE YEAR

ITEMS	1988	1987
Reserves		
Set Aside By Council		
Working Capital	**$ 7,342**	**$ 7,342**
Reserve Funds		
Set Aside By Council		
Equipment Replacement	$ 7,352	$ 6,894
Employee Benefits	4,071	2,567
Parking	614	396
Land Purchases	5,235	3,180
Self Insurance	518	215
Capital Levy	7,095	6,130
Civic Centre Expansion	3,479	2,561
Vested Sick Leave Benefits	1,217	740
Others	177	138
Required By Legislation		
Sewers	10,764	9,478
Parks Land	8,284	6,151
Parks Development	5,878	3,928
Cash-In-Lieu of Services	4,637	3,931
Subdivision Services	5,618	3,079
Recreation and Cultural Buildings	646	-
Total	**$ 65,585**	**$ 49,388**

THE CORPORATION OF THE CITY OF SCARBOROUGH

SUMMARY OF REVENUE FUND OPERATIONS

REVENUE

1988 ($000)		1987 ($000)
$ 108,352	Property Taxes	$ 100,864
24,746	User Charges	21,614
24,429	Grants	22,658
13,166	Other Revenues	9,261
14,358	Payment in Lieu	14,025
$ 185,051	**TOTAL**	**$ 168,422**

EXPENDITURES

$ 101,426	Salaries, Wages and Employee Benefits	$ 94,945
57,879	Materials, Services and Financial Expenses	52,121
9,631	Debt Charges	9,178
347	Transfer to Non-profit organizations	536
4,269	Net Transfers to : Capital Fund	4,275
12,263	: Reserves & Reserve Funds	6,950
$ 185,815	**TOTAL**	**$ 168,005**

THE CORPORATION OF THE CITY OF SCARBOROUGH

SUMMARY OF CAPITAL FUND OPERATIONS

1988 ($000)	REVENUES	1987 ($000)
4,269	Revenue Fund	4,275
14,736	Reserve Fund	7,646
1,017	Long-Term Debentures	1,017
1,800	Grants : Canada	1,000
5,544	: Ontario	6,891
72	: Municipal	31
553	Sinking Fund Earnings	1,459
0	Other Revenues	110
$ 27,991	**TOTAL**	**$ 24,635**

	EXPENDITURES	
2,277	General Government	2,277
452	Protection to Persons & Property	1,136
13,921	Transportation	11,628
7,887	Environmental	6,821
73	Health	302
3,034	Recreation & Culture	3,234
1,535	Planning & Development	1,113
$ 29,179	**TOTAL**	**$ 27,296**

THE CORPORATION OF THE CITY OF SCARBOROUGH

SUMMARY OF RESERVE FUND OPERATIONS

REVENUES

1988 ($000)		1987 ($000)
12,263	Revenue Fund	6,802
11,586	Developers	5,826
7,084	Investment Income	4,289
$ 30,933	TOTAL	$ 16,917

EXPENDITURES

14,736	Capital Fund	7,646
$ 14,736	TOTAL	$ 7,646

(AMOUNTS IN $000)	1988	1987	1986	1985	1984
ASSESSMENT (TAXABLE)					
Residential and Farm	856,732	843,321	821,714	811,291	790,815
Commercial and Industrial	342,053	324,653	312,569	295,393	288,335
Business	160,609	153,393	148,566	141,155	137,965
Total	**1,359,394**	**1,321,367**	**1,282,849**	**1,247,839**	**1,217,115**
% Increase over Previous Year	*2.9%*	*3.0%*	*2.8%*	*2.5%*	*3.2%*
RATES OF TAXATION					
Residential and Farm					
General Municipal	71.15	68.48	65.76	62.69	59.74
Metro Toronto	76.59	73.14	69.84	66.92	64.47
School Boards	162.06	156.80	150.60	138.51	127.12
Total	**309.80**	**298.42**	**286.20**	**268.12**	**251.33**
% Increase over Previous Year	*3.8%*	*4.3%*	*6.7%*	*6.7%*	*6.2%*
Commercial and Industrial					
General Municipal	83.70	80.56	77.36	73.75	70.28
Metro Toronto	90.10	85.83	82.17	78.73	75.85
School Boards	190.65	184.81	177.18	162.95	149.56
Total	**364.45**	**351.20**	**336.71**	**315.43**	**295.69**
% Increase over Previous Year	*3.8%*	*4.3%*	*6.7%*	*6.7%*	*6.3%*
TRANSFERS TO METRO TORONTO	120,238	111,008	103,389	96,231	90,314
% Increase over Previous Year	*8.3%*	*7.4%*	*7.4%*	*6.6%*	*14.7%*
TRANSFERS TO SCHOOL BOARDS	252,027	235,523	220,031	196,268	175,808
% Increase over Previous Year	*7.0%*	*7.0%*	*12.1%*	*11.6%*	*7.5%*
RESERVES AND RESERVE FUNDS (YEAR END BALANCES)					
Reserves	7,342	7,342	7,192	6,942	6,692
Reserve Funds	65,585	49,388	40,118	39,379	42,342
Total	**72,927**	**56,730**	**47,310**	**46,321**	**49,034**
ACCUMULATED NET REVENUE - END OF YEAR					
City	4,455	5,367	4,654	4,511	5,680
Library	368	111	288	215	105
Special Charges	627	743	857	942	986
Business Improvement Areas	19	19	25	34	52
Museum Board	18	10	9	-	-
Total	**5,487**	**6,250**	**5,833**	**5,702**	**6,823**
REVENUE FUND					
Revenues					
Taxation	108,352	100,864	94,532	87,546	81,394
Payments in Lieu	14,358	14,025	13,174	12,607	11,606
Ontario Grants	23,718	21,929	20,997	20,599	20,384
Other Grants	711	729	618	490	704
Fees and Service Charges	11,295	10,057	8,203	5,977	5,545
Investment Income	8,341	6,870	6,928	6,204	6,515
Other	18,277	13,948	12,760	10,853	9,809
Total	**185,052**	**168,422**	**156,645**	**144,276**	**135,957**
% Increase over Previous Year	*9.9%*	*7.5%*	*8.6%*	*6.1%*	*5.5%*
Expenditures					
General Government	23,327	22,763	19,689	17,287	15,117
Protection to Persons & Property	34,644	32,104	30,501	28,159	26,280
Transportation Services	31,543	28,913	29,202	28,452	26,409
Environmental Services	18,380	16,581	16,567	16,307	15,719
Health Services	9,423	8,458	8,019	7,581	7,030
Recreation & Cultural Services	45,571	42,022	37,360	37,362	34,889
Planning and Development	6,309	5,852	5,337	5,400	5,091
Other	86	85	79	40	3
Total	**169,283**	**156,778**	**146,754**	**140,588**	**130,538**
% Increase over Previous Year	*8.0%*	*6.8%*	*4.4%*	*7.7%*	*2.1%*
CAPITAL FUND					
Revenues					
Contributions from own funds	19,005	11,920	18,046	16,608	13,656
Long-term liabilities incurred	1,017	3,224	2,915	2,939	1,251
Ontario Grants	5,544	6,891	6,064	4,949	4,587
Other	2,425	2,600	1,134	2,796	4,216
Total	**27,991**	**24,635**	**28,159**	**27,292**	**23,710**
Expenditures	29,179	27,296	24,311	29,031	26,760
Unfinanced Capital Outlay					
at Beginning of Year	2,687	26	3,874	2,135	(915)
at End of Year	3,875	2,687	26	3,874	2,135

CITY OF SCARBOROUGH OFFICIALS FOR 1989

MEMBERS OF COUNCIL

Mayor	Joyce Trimmer
Councillors	
Ward 1	Harvey Barron
Ward 2	Gerry Altobello
Ward 3	John Wardrope
Ward 4	Lorenzo Berardinetti
Ward 5	Marilyn Mushinski
Ward 6	Paul Mushinski
Ward 7	Fred Johnson
Ward 8	Shirley Eidt
Ward 9	Ron Moeser
Ward 10	Ron Watson
Ward 11	Sherene Shaw
Ward 12	Doug Mahood
Ward 13	Bas Balkissoon
Ward 14	Edith Montgomery

DEPARTMENT HEADS

Senior Commissioner	Jack J. Poots
Buildings	George H. Fleming
Clerk's	John W. Nigh
Economic Development	John D. Morand
Finance and Management Services	David R. Creech
Fire	Thomas L. Powell
Health	Dr. E. Keith Fitzgerald
Law	Jack R. Ratchford
Maintenance And Construction	Dennis O'Leary
Personnel	Jacqueline G. Campbell
Planning	Peter Poot
Recreation and Parks	Bruce F. Fleury
Works	Roger K. Brown

BOARDS AND COMMISSIONS

Scarborough Committee of Adjustment	Wm. Chambers
Scarborough Board of Health	Councillor, G. Altobello
Scarborough Property Standards Committee	Alex Dingwall
Scarborough Public Library Board	C. Richard Goldsmith
Scarborough Environmental Advisory Board	Marius Ois
Scarborough Historical Museums Board	Joe Kennedy
Scarborough Public Utilities Commission	Richard E. Cavanagh